

# Pro-poor Land Transfers and the Importance of Land Abundance and Ethnicity in The Gambia

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**Summary.** — We ask whether there is empirical evidence that supports the existence of norm-based access rules that give poor households access to important production resources. A substantial literature has investigated informal insurance schemes, which trigger supporting exchanges after negative shocks have occurred. This paper is instead concerned with material exchanges that take place before shocks occur, which has received far less attention in the economic literature. We employ a dataset of 51 rural villages in The Gambia, and we focus on access to the most important production resource in our context—land. We find that poor households are more likely to receive seasonal land usage rights. We also show that these exchanges are more likely to occur in villages where land is abundant and where ethnic fractionalization is low. We argue that this is consistent with the existing qualitative evidence, which argues that informal exchange is thought to be disappearing due to population increases and ethnic fractionalization. Our findings highlight the importance of attention to the local (i.e., village-level) context for assessing welfare and conducting effective policy.  
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## 1. INTRODUCTION

Material support from one household to another can provide subsistence for the poorest members of communities. An important manifestation of such material support are norm-based access rules to agricultural land. Many rural village communities in developing countries have traditionally relied on a set of norm-based access rules to grant land usage rights to community members in need (Cohen, 1980; Eastman, 1990; Freudenberger, 2000; Noronha, 1985; Platteau, 1991; Pamela, 2010; Wolf, 1957).

While the economic literature has been successful in documenting the existence of informal insurance schemes (e.g., Caudell, Rotolo, & Grima, 2015; Dercon & Weerdt, 2006; Fafchamps & Lund, 2003; Fafchamps & Gubert, 2007; Kazianga & Udry, 2006; Mazzocco & Saini, 2012), i.e., help that is triggered when a negative shock is realized, the topic of material support in the absence of shocks—such as norm-based access rules to land—has received less attention. One possible reason for this gap in the literature is that traditional tenure systems and norm-based access rules are thought to be disappearing (Devereux, 2001; Platteau, 2006). A long-standing hypothesis for explaining this disappearance is that norm-based access rules can only exist when land is sufficiently abundant (Boserup, 1965; Fenske, 2013; Platteau, 2002). Increases in population density make land more valuable and as a consequence markets emerge as a way to allocate the increasingly scarce land. A complementary explanation is that well-functioning norm-based access rules depend on a high level of intra-village trust and solidarity, which can be difficult to maintain in the presence of ethnic heterogeneity. However, the microeconomic evidence on these transformations of informal support systems is quite scarce. In this paper, we aim to answer two questions. First, is it possible to find empirical evidence that supports the existence of norm-based access rules today? Second, does the strength of such rules vary with land abundance and ethnic fractionalization at the local level?

We study these questions using a unique social network dataset collected in 2009 in rural villages in The Gambia. Rural Gambia is an illustrative case for studying traditional material support mechanism. While the land system in urban areas has been subject to land reform, the traditional system of land rights is still in effect in rural areas (Chavas, Petrie, & Roth, 2005; Freudenberger, 2000; Pamela, 2010). This implies that those who possess surplus land as well as the village chief have a moral obligation to allocate land to those in need. Transfers of land usage rights are temporary and often non-monetary in nature: Lenders of land rarely receive monetary payment for the land that they lend to other farmers. A World Bank report states: “In the absence of any state-supported welfare programs, social safety nets in The Gambia are based on social and religious traditions. [...] anyone with above average earnings is expected to support near relatives and friends with lower income levels” (World Bank, 1993). The characteristics of the traditional land rights system of The Gambia is not unusual compared to that of other West African countries. Common characteristics include the unequal land ownership structure and the central role of village chiefs in the reallocation of land (Eastman, 1990;

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Fenske, 2011; Holden, Otsuka, & Place, 2009; Otsuka, 2007; Platteau, 2002). Therefore, the results of this paper concern not only The Gambia, but also other developing countries where informal land markets still exist.

We look for empirical evidence that supports the existence of norm-based access rules by investigating the effect of household income on inter-household land transfers. We find that inter-household transfers of land usage rights tend to flow toward the poor, which lends support to the existence of norm-based access rules to land. We proceed by investigating whether village-level differences in population density and ethnic heterogeneity can explain differences in the strength of the norm-based access rule. We find more transfers of land usage rights from rich to poor in villages with relative land abundance, which supports the hypothesis that population pressure affects the functioning of the norm-based access rule. We also find relatively weaker evidence that norm-based access rules function less well in more ethnically diverse areas. We explain the relative weakness of this finding by the long history of peaceful co-existence of several different ethnicities in The Gambia.

Why do these results matter? First, the existence of norm-based access rules to land has implications for our understanding of welfare and inequality: Where short-term transfers of land usage rights are frequent and go to the poor, outright land ownership is a poor indicator of welfare. Second, since the strength of norm-based access rules vary at the local level, care must be taken to take proper account of local circumstances when formulating policy that can crowd out future informal land transfers. However, as the strength of traditional norms wanes as land becomes scarce, or where ethnic fractionalization lowers trust, offsetting public policy may be called for.

The research question of this paper is also linked to a broader debate regarding the effects of market integration on pro-social behavior. (See Hirschman, 1982 for a review of the history of thought on this issue). The empirical findings on this topic are mixed. A range of, using both observational data and experimental methods, have found that increased market integration appears to crowd out pro-social behavior (Albarran & Attanasio, 2003; Bowles, 2008; Bowles & Polania-Reyes, 2012; Dercon & Krishnan, 2003; Lesorogol, 2003). However, more recent experimental evidence conducted across a number of countries in very diverse settings show more equitable experimental outcomes in societies with higher levels of market integration (Henrich et al., 2005; Henrich et al., 2010).

The rest of the paper is organized as follows. Section 2 discusses traditional land access norms in more detail and provides some necessary information about the Gambian context. In Section 3, we outline the empirical method. Section 4 describes the dataset and provides descriptive information. Section 5 presents the results and a series of robustness checks. Section 6 concludes.

## 2. TRADITIONAL LAND-ACCESS NORMS

One can distinguish between two types of traditional social institutions aimed at the reduction of food shortages of individual households, namely informal mutual insurance arrangements and norm-based access rules for vital resources (Platteau, 1991, 2002). While the existing empirical literature has been successful at documenting the existence and effects of informal mutual insurance arrangements, this paper focuses instead on the mechanics of norm-based access rules for land.

Informal mutual insurance arrangements normally kick in after a shock has occurred, and can therefore be regarded as an *ex post* insurance mechanism. On the other hand, norm-based access rules for land is a support mechanism used to secure livelihoods on an annual basis, independent of whether a shock occurs. While *ex post* arrangements compensate for a shortfall in income or consumption, *ex ante* arrangements attempt to prevent the occurrence of a shortfall.

Traditional *ex ante* support schemes, such as land access norms, are rooted in a shared belief of how to behave toward other community members. The definition of “member” varies over time and space but it typically includes those who can claim descent from the founding lineages of the village as well as former migrants who over time have been accepted as members of the village community (Platteau, 2002). There are several examples of *ex ante* support arrangements in the economic literature (e.g., Devereux, 2001; Fafchamps, 1992; Krishnan & Sciubba, 2009; McGuire, 2008; Platteau & Abrahamb, 1987; Platteau, 1997). Examples include informal farmer seed distribution systems to ensure supply and access to affordable seeds (McGuire, 2008) and labor-sharing arrangements during the cropping and harvesting season to warrant completion of farm operations in time (Krishnan & Sciubba, 2009). This paper studies another such arrangement, namely temporary and non-monetary land transfers to poor or landless households before the planting season to ensure that these households can support their own livelihood.

*Ex ante* arrangements that reduce food shortages can be preferable to *ex post* relief, since it reduces the potential for moral hazard, thereby avoiding the waste of community resources (Fafchamps, 1992). To fix ideas, consider an economy of agricultural households who produce agricultural output using identical production functions that do not have increasing returns to scale. The production function takes land and labor as inputs. Total consumption is the sum of agricultural production and income from non-agricultural activities. Some households are land-abundant in the sense that in the absence of shocks, they can maintain more than the subsistence level of consumption from agricultural production and non-agricultural income. Other households are land-poor or landless and do not have compensating non-agricultural income. Suppose further that households care about the consumption level of other households in the sense that they do not want them to fall below subsistence level. This goal may be achieved in a variety of ways: One possibility is that the land-abundant households employ the land-poor households to work on their surplus land, through either a wage contract or a sharecropping agreement (Eswaran & Kotwal, 1985). Another option is that land-abundant households compensate land-poor households with output after production has taken place. However, these options are not as attractive as temporary transfers of land that take place *ex ante*, since such transfers plausibly minimize costs related to labor supervision, shirking, and moral hazard by allowing recipients to keep all the gains from their efforts (Fafchamps, 1992). Thus, *ex ante* land transfers are a way to avoid the need for future assistance, while making better use of the total endowment of labor and land resources.

On the other hand, land transfers do not work well as *ex post* insurance, i.e., to smooth consumption after the occurrence of a shock, due to the substantial delay between planting and harvesting. *Ex post* insurance instead takes place through transfers of labor, cash, or goods. A network of transfers of land usage rights is therefore well suited to investigate the existence of an *ex ante* support mechanism, since transfers of land usage rights are not effective for immediate relief.

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